

DERT

FUND

DRYCLEANING ENVIRONMENTAL RESPONSE TRUST



ANNUAL PROGRAM REPORT 2007



**Missouri Department
of Natural Resources**
Hazardous Waste Program

HISTORY

In 2000, Senate Bill 577 established the Drycleaning Environmental Response Trust Fund and Section 260.960, Revised Statutes of Missouri, or RSMo, authorized the DERT Fund. The DERT Fund provides funding for the investigation, assessment and remediation of releases of chlorinated solvents from dry cleaning facilities. The DERT Fund is a state fund and is administered by the Missouri Department of Natural Resources' Hazardous Waste Program according to rules published by the Hazardous Waste Management Commission. The laws and regulations governing the DERT Fund are found in Sections 260.900 to 260.965 RSMo and 10 Code of State Regulations 25-170.010 to 10 CSR 25-17.170 respectively.

Operators of active dry cleaning facilities are required to register with the Missouri Department of Natural Resources, as outlined in Section 260.915 RSMo. Each active and operating dry cleaning facility is required to pay an annual registration surcharge based upon the number of gallons of chlorinated solvents used during the calendar year, as outlined in Section 260.935 RSMo. This includes coin-operated dry cleaning facilities. Laundry facilities located in prisons, government entities, hotels, motels and industrial laundries are specifically exempt from the requirements of this statute. All solvent suppliers that sell or provide chlorinated solvent to a dry cleaning facility are required to pay the solvent surcharge fees to the department.

Section 260.955 RSMo, requires the department to provide an annual report to the General Assembly and the Governor regarding:

- Receipts of the fund during the preceding calendar year and the sources of the receipts.
- Disbursements from the fund during the preceding calendar year and the purposes of those disbursements.
- The extent of corrective action taken during the preceding calendar year.
- The prioritization of the sites for expenditures from the fund.

DISBURSEMENTS FROM THE DERT FUND

Expenditures from the fund are used to:

1. Reimburse participants for the costs of addressing releases of chlorinated solvents from dry cleaning facilities. Participants are liable for the first \$25,000 of eligible cleanup related costs as a deductible.
2. Administer the program by collecting the surcharges and guiding and assisting the cleanup activities.

Table 1 describes the expenditures from the fund, which were prohibited until, on or after July 1, 2002, by Section 260.925 RSMo. Reimbursements for eligible environmental cleanup costs were not made until the regulations went into effect on May 30, 2006.

TABLE 1 - EXPENDITURES OF THE DERT FUND

Calendar Year	Salaries & Wages	Expense & Equipment	Fringe, etc. ⁽⁴⁾	Reimbursements ⁽⁵⁾	Total Costs
2000 ⁽²⁾	\$0	\$0	\$0	\$0	\$0
2001 ⁽²⁾	\$0	\$0	\$0	\$0	\$0
2002 ⁽²⁾	\$1,163	\$0	\$2,350 ⁽³⁾	\$0	\$3,513
2003	\$77,271	\$14,995	\$35,655	\$0	\$127,921
2004	\$106,083	\$59,642	\$73,437	\$0	\$239,162
2005	\$99,583	\$63,909	\$92,528	\$0	\$256,020
2006	\$90,157	\$243,121	\$140,850	\$176,032	\$650,160
2007	\$186,019	\$64,858	\$155,026	\$258,785	\$664,688
Total	\$560,275	\$446,525	\$499,846	\$434,817	\$1,941,463

⁽¹⁾ Source: SAM II Data Warehouse Information.

⁽²⁾ RSMo, Section 260.925 prohibited expenditures from the DERT Fund until, on or after July 1, 2002.

⁽³⁾ House Bill 1115, Section 15.220, RSMo, authorized a transfer of \$1,289 out of the State Treasury on May 6, 2002, chargeable to various funds, such amounts as are necessary for allocation of costs to other funds in support of the state's central services, to the General Revenue Fund.

⁽⁴⁾ Fringe amount includes OASDI, Retirement Sys, Deferred Comp, MCHCP, Cost Allocation Plan (Office of Administration), Cost Allocation (Department of Natural Resources), State Office Bldg M & R, etc.

⁽⁵⁾ Reimbursements were not made until the regulations went into effect on May 30, 2006.

RECEIPTS TO THE DERT FUND

The Hazardous Waste Program is responsible for the collection of all applicable surcharges from dry cleaning facilities and solvent suppliers. There are two main sources of revenue for the fund. The first is a dry cleaning facility annual registration surcharge paid by owners and operators of dry cleaning facilities (\$500, \$1,000 or \$1,500 based on chlorinated solvent used during the calendar year). The second is a solvent surcharge paid by the solvent suppliers on a quarterly basis of \$8 per gallon of perchloroethylene, trichloroethylene and other chlorinated solvents sold.

Table 3 describes the surcharge collections. The collection of the registration surcharges began on April 1, 2001. The collection of the solvent surcharge began with the April 1, 2001 to June 30, 2001 quarter.

TABLE 2 - 2007 DRY CLEANER FACILITY ANNUAL REGISTRATION SURCHARGE

Size of Facility	No. of Facilities Registering by 5/1/08	Gallons of Solvent Used	Annual Registration Fee
Small	157	0 to 140	\$500
Medium	43	140 to 360	\$1,000
Large	2	>360	\$1,500

TABLE 3 - RECEIPTS TO THE DERT FUND⁽¹⁾

Calendar Year	Registration Surcharge	Solvent Surcharge	Interest & Penalties	Totals
2000	\$0	\$0	\$0	\$0
2001	\$221,500	\$170,208	\$5,995	\$397,703
2002	\$222,150	\$435,859	\$17,886	\$675,895
2003	\$303,126	\$427,880	\$26,892	\$757,898
2004	\$319,488	\$409,293	\$43,178	\$771,959
2005	\$234,150	\$367,598	\$73,595	\$675,433 ⁽²⁾
2006	\$204,993	\$308,678	\$121,077	\$635,248 ⁽³⁾
2007	\$185,371	\$259,175	\$138,931	\$583,477
Total	\$1,690,778	\$2,378,691	\$427,554	\$4,497,613

(1) Source: SAM II Data Warehouse Information

(2) 2005 total includes a \$90 refund to the DERT Fund

(3) 2006 total includes a \$500 transfer in

PRIORITIZATION OF SITES FOR EXPENDITURES FROM THE FUND

10 CSR 25-17.140 allocates DERT Fund monies to prioritized sites in the following proportions: high priority sites: 60 percent; medium priority sites: 30 percent; low priority sites: 10 percent. In any fiscal year, if the funding allocation in any priority category is not used, those funds may be reallocated to other priority categories, starting with any high priority sites and followed by medium and then low priority sites.

Sites applying to the program must submit the results of one soil, groundwater or surface water sample that exhibits contamination of dry cleaner solvent that is in excess of the department cleanup levels. The initial assessment will allow the department to determine the eligibility of the site in the fund. Some sites will provide enough information during the application process to receive a ranking score. Other sites will require additional information before a ranking score can be determined.

If the site has not provided enough information to have a ranking score determined, the department will direct the owner or operator to conduct the necessary assessments to determine a ranking score. The ranking score is based on such factors as environmental contamination, potential economics, potential receptors, risk based remediation parameters, site history, threat to drinking water sources, threat to off-site properties, etc. A copy of the prioritization form is available on the department's DERT Fund Web site at www.dnr.mo.gov/env/hwp/dert/hwpcvp-dryclean.htm.

On May 30, 2006, the DERT Fund began accepting applications for enrollment into the fund for oversight and reimbursement of investigation and cleanup activities. By the end of 2007, the fund had received applications for 26 sites. Five of these sites received a certification of completion letter from the Brownfields/Voluntary Cleanup Program and enrolled into the fund for reimbursement of eligible costs. Fourteen of the 26 sites transferred from the BVCP to the DERT Fund.

During 2007, reimbursements for two of these former BVCP sites were completed. On October 19, 2007 the fund issued its first certification of completion letter to the Westgate Cleaners site in St. Louis. By the end of 2007 the fund had reimbursed \$434,817 in eligible costs to participants (See Table 1).

TABLE 4 - DERT FUND SITES

Site Name	City	High Priority	Medium Priority	Low Priority	Amount Reimbursed
American Cleaners - Dorsett Road	Maryland Heights			X	
American Cleaners - Fenton Plaza	Fenton		X		\$12,264.48
American Cleaners - Mid Rivers Mall	St. Peters		X		\$144,485.61**
American Cleaners - Natural Bridge	Bridgeton		X		
American Cleaners - Southroads	St. Louis		X		
A to Z Auto Center	Crestwood			X	
Clayton Cleaners	St. Louis	X			
Colonial Cleaners - Arsenal Street	St. Louis	X			
Colonial Cleaners - Brentwood Blvd.	St. Louis	X			
Cypress Village Shopping Center*	St. Ann		X		\$60,000
First Capitol Cleaners	St. Charles		X		
Foster's Cleaners	Blue Springs			X	
Frontenac Cleaners - West End	St. Louis		X		
Kingshighway Retail Center	Sikeston		X		
McDonald's State Line	Kansas City		X		
Mission River/Antioch Cleaners	Kansas City		X		
Paramount Cleaners	Florissant		X		\$42,035**
Park Lane Cleaners	Chillicothe			X	
Plaza Ford Ideal Laundry & Dry Cleaners Inc.	Kansas City	X			
Pride Cleaners - NW Barry Road	Kansas City			X	
Stanford Saper Cleaners*	Kansas City			X	
Staten Island Cleaners	Florissant	X			
Tri-States Service Company - Boonville Ave.	Springfield	X			\$176,032
Tri-States Service Company - E. Trafficway	Springfield			X	
West Gate Cleaners	St. Louis		X		Completion Letter Issued 10/19/07
Zehrt Printing	St. Louis*		X		

*Reimbursement only, site received certification of completion letter from BVCP

** Reimbursements Completed

TABLE 5: CORRECTIVE ACTION CONDUCTED IN 2007

Site Name	City	Corrective Action Conducted
American Cleaners - Dorsett Rd	Maryland Heights	Groundwater monitoring to determine plume stability; Conduct Tier 2 evaluation and risk assessment
American Cleaners - Fenton Plaza	Fenton	Groundwater monitoring to determine plume stability; Remediation via chemical oxidation
American Cleaners - Natural Bridge	Bridgeton	Initial assessment to identify the extent of soil/groundwater contamination
American Cleaners - Southroads	St. Louis	Groundwater monitoring to determine plume stability
Clayton Cleaners	St. Louis	Groundwater monitoring to determine plume stability
Colonial Cleaners - Brentwood Blvd.	St. Louis	Groundwater monitoring to determine plume stability
Foster's Cleaners	Blue Springs	Initial assessment to identify the extent of soil/groundwater contamination
Frontenac Cleaners - West End	St. Louis	Groundwater monitoring to determine plume stability
Kingshighway Retail Center	Sikeston	Additional assessment to define extent of groundwater plume
Park Lane Cleaners	Chillicothe	Initial assessment to identify the extent of soil/groundwater contamination
Plaza Ford Ideal Laundry & Dry Cleaners	Kansas City	Initial and additional assessments to identify extent of soil/groundwater contamination; Indoor air monitoring
Staten Island Cleaners	Florissant	Groundwater monitoring to determine plume stability
Tri-States Service Co. - Boonville Ave.	Springfield	Pumping and treating of contaminated groundwater; Installation of bedrock monitoring wells to define extent of groundwater contamination
Westgate Cleaners	St. Louis	Groundwater monitoring to determine plume stability; Conduct risk assessment; Certification of Completion Letter issued

COMPLIANCE WITH SURCHARGES

The two main sources of revenue for the fund are the dry cleaning facility annual registration surcharge and the solvent surcharge. State law requires the owners and operators of dry cleaning facilities pay the annual registration and the solvent suppliers to pay the solvent surcharge on quarterly basis.

When a facility or solvent supplier is not in compliance with the law, the DERT Fund uses the department's conference, conciliation and persuasion process to return them to compliance. In 2006, the department's Hazardous Waste Program began referring facilities and solvent suppliers that continued to fail compliance to the Attorney General's Office.

Only dry cleaners that pay into the fund and comply with the law are eligible to receive funding for environmental cleanup from the fund. Consequently, it is in everyone's interest to assist businesses in returning to compliance with the law so they are covered by the fund.

Table 6 indicates the compliance rate for annual dry cleaning facility registration surcharges. Failure to pay the surcharges represents approximately 90 percent of the violations that occur in the DERT Fund.

TABLE 6 - DRY CLEANING FACILITY REGISTRATION COMPLIANCE

Calendar Year	No. of Active Dry Cleaning Facilities	Facilities Submitting Registration Form and Surcharges by 5/1/08	Percent Compliance with Annual Facility Registration
2007	279	202	72.4

TABLE 7 - COMPLIANCE/ENFORCEMENT ISSUES WITH DRY CLEANING FACILITIES

Calendar Year	Facilities Issued a NOV	Facilities Referred to Compliance/ Enforcement	Facilities Referred to the Attorney General's Office	Facilities Returned to Compliance
2007	46	35	27	140

TABLE 8 - SOLVENT SUPPLIERS QUARTERLY REPORTING COMPLIANCE

Calendar Year	No. of Active Solvent Suppliers	Suppliers Submitting Quarterly Reports and Surcharges on Time	Percent Compliance Quarterly Reporting
2007	11	8	73

TABLE 9 - COMPLIANCE/ENFORCEMENT ISSUES WITH SOLVENT SUPPLIERS

Calendar Year	Suppliers Issued a NOV	Suppliers Referred to Compliance/ Enforcement	Suppliers Referred to the AGO	Suppliers Returned to Compliance
2007	1	1	1	6

OUTREACH ACTIVITIES

The department has additional information, publications, forms and answers to questions about the fund available on the Web at www.dnr.mo.gov/env/hwp/dert/hwpvcp-dryclean.htm. The department also distributes the DERT newsletter to dry cleaning facilities and solvent suppliers. The newsletter keeps the regulated community up-to-date on issues involving the industry, the DERT Fund and cleanup efforts at active and abandoned dry cleaner sites.

The department is a member of the State Coalition for the Remediation of Drycleaners. The coalition is comprised of states that have formal dry cleaner cleanup programs. The U.S. Environmental Protection Agency's Technology Innovation Office through the National Ground Water Association funds this coalition. The coalition conducts conference calls every other month and holds an annual meeting to discuss issues related to dry cleaner program administration and technical site investigation or remediation topics. The coalition serves as an invaluable asset for Missouri as the department manages the fund and provides oversight of assessments and remediation of dry cleaner sites.

REFERENCES

State Program To Clean Up Drycleaners. Schmidt, Robin, R. DeZeeuw, L. Henning and D. Trippler. June 2001.

State Coalition for Remediation of Drycleaners. www.drycleancoalition.org/survey/

Departmental Missouri Risk-Based Corrective Action (MRBCA) Technical Guidance,
Missouri Department of Natural Resources, April 2006.

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